A STUDY OF CONSUMER BEHAVIOUR TOWARDS ORGANIC FOOD PRODUCTS IN MARATHWADA REGION

A Ph.D. Synopsis

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- **Introduction :-**

In recent years, the awareness of people on health has increased tremendously. Due to this awareness, organic food has become main issues in consumer food market. The food consumers become careful about food safety, quality and nutrition.The organic food provides a choice of 'healthy life' to consumers by providing healthy food. It gives assurance that toxic persistent pesticides, synthetic fertilizers or genetically modified organisms (GMOs) are not used in production;it also means that stringent organic cultivation standards have been met with respect to impact on soil, water and air support environmental protection.

In consumer food market food safety, quality and nutrition are increasingly becoming important. As we know that food is the basic necessity in the life of human beings. The humans are spending their most of the income on the food, due to this they are becoming conscious and selective about the food they eat.

The food consumption patterns of consumers are changing continuously. The people are becoming conscious about environmental issues, health consciousness and nutritional value of food, this is the main reason that the consumers attracted towards organic food in the consumer food market.

Meaning of Organic Food Products:-

The organic food products (OFP) means the food raised, grown and stored or processed without the use of synthetically produced chemical or fertilizers, herbicides, pesticides, fungicides, growth hormones and regulators, In simple word, The OFP is referred as a product of organic farming or agriculture.

As per the report released by APEDA, India produced around 1.35 million tonnes of certified organic products in year 2015-16. This includes all varieties of food products like Basmati rice, Pulses, Honey, Tea, Spices, Coffee, Oil seeds, Fruits, Vegetables, Processed food, Cereals, Herbal Medicines and the value added products (See Table 1)

Table 1.Major OFP produced through O. A. in India.

Type of products	Products
Commodity	Tea, Coffee, Rice, Wheat
Spices	Cardamon, Black pepper, Ginger, Turmeric, Clove, Chilli.
Pulses	Tur, Moong, Udid, Gram.
Fruits	Mango, Banana, Orange, Grape.
Vegetables	Okra, Brinjal, Onion, Tomato, Potato.
Oil Seeds	Sunflower, Sesame, Soyabean, Mustard.
Others	Sugarcane, Herbal Medicines.

Source : APEDA 2012

The organic Food Market:-

The growing concern about health and environmental issues acts positively on the consumer demand for the organic food. Worldwide the Organic Food Market (OFM) has been gradually moving from a niche market to the mainstream market as far as agricultural marketing is concerned. The OFM is emerged as one of the fastest growing segments of the food marketing.

The Global Organic Food Market:-

According to organic monitor the global sales of organic food reached at $ 89.7 billion in year 2016.

The total area of 57.8 million ha of land was under organic agriculture worldwide during the same period (see Table 2 and 3) the global demand for organic food products are showing a rapid growth rate.

Table 2: Global organic market growth

Sr. no.	Year	Annual Sales ($ billion)
1	2011	59.4
2	2012	65
3	2013	71.5
4	2014	79
5	2015	88.1
6	2016	90

Source: The world of organic agriculture statistics and emerging trend, FIBL and IFOAM – organics international

Table 3:- Area under organic management 2011-2016

Sr. no.	Year	Total area under organic agriculture (Million ha)
1	2011	37.5
2	2012	37.12
3	2013	43.2
4	2014	44.4
5	2015	50.9
6	2016	57.8

Source: The world of organic agriculture statistics and emerging trend, FIBL and IFOAM – organics international

- **Organic Food Market of India :-**

India currently holds the ninth position among 178 countries that actively practice organic agriculture. At present, the country is home to more than 835000 organic producers, 699 processors, 669 exporters and 1.49 million ha area under organic cultivation. (See Table 4) The India has a total land of 143 million hectares, out of which only 5.7 million hectares (3.6 percent) of land is under organic certification. The agricultural sector in India is characterized by a large proportion of households(85 percent) possessing less than 2 ha of land. Only 36 percent of India's land use irrigation system, while the rest is rainfed. (Directorate of Economics and statistics 2012-13).The rain fed area presents many opportunities to improve the socio-economic status of the farmers by adopting organic farming methods. The Govtof India and various state governments are working to increase the area under organic agriculture. This results in increase in area under organic farming.

Table 4: Organic area in India (in million ha)

Sr no.	Year	Cultivated area (Million ha)	Wild forest area (Million ha)	Total organic area (Million ha)
1	2010-11	0.78	3.65	4.43
2	2011-12	1.00	4.55	5.55
3	2012-13	0.72	4.00	4.72
4	2013-14	1.20	3.70	4.90
5	2014-15	1.49	4.22	5.71

Source: APEDA, 2015

Table5:- Statewise area under organic agriculture in ha 2014-15

Sr. no	State	Organic area in (ha)
1	Madhya Pradesh	4.62 lakh
2	Maharashtra	1.98 lakh
3	Rajasthan	1.55 lakh
4	Telangana	1.04 lakh
5	Odisha	0.96 lakh
6	Karnataka	0.94 lakh
7	Gujarat	0.77 lakh
8	Sikkim	0.76 lakh

Source: APEDA, 2015

The organic food industry in India is in the early stages of growth. Organic food is still a niche concept in India. The current domestic organic food sales are estimated at around INR 4000cr in 2016-17 and it is growing at a compounded rate of 25 percent each year. The one fact is interesting about organic food in India is that; the organic food consumption is not even 0.1 percent of India's $ 300 billion annual food consumption. The India's share in the $ 100billion global organic food market is less than 0.2 percent.

The Indian players like ITC, Cargill, Big Basket, Godrej, Nature fresh, Organic India etc are also attempting to capitalize on the growth spurt of organic food industry. The established players in the organic food market segment are optimistic about their growth, for instance, organic India aims at achieving a turnover of INR 500cr by 2020.

The various study on organic food market reported that, the full potential of the domestic market has not been realized to date. This is due to a number of challenges including product availability, supply chain constraints and consumer awareness and also the challenges which are faced by the stakeholders in the domestic market.Lack of awareness on part of consumer's is another barrier that

needs to be addressed on demand side in order to sustain the growth in organic sales.

The aim of this research is to study the consumers buying behaviour with reference to organic food products. This study helps to contribute to identify the factors influencing the consumerbehaviour and their intention tobuy the organic food products. This study wills helpful in taking marketing decisions in the consumer market for organically produced food products.

- **Literature Review :-**

In recent years, the demand for environmental friendly products such as organic foods has significantly increased due to increasing awareness on health, food safety and environmental concerns **(Loureiro et al, 2001, Nair 2005, Briz andward,2009).** Awareness and knowledge has become critical factors in changing the attitude &behaviour of consumers towards organic foods, which in turn is expected to drive the growth in the organic food markets. **(Solar et al, 2008;Freeland-Graves &Nitzke, 2002).**

The consumers have positive attitudes towards the organic products and perceived as healthier than conventional alternatives **(Chinnici et al; 2002, Harper & Macaroni, 2002).**

In India, market size for organic foods remained low due to both supply side and demand side constrains **(O' Donovan and Mccarthy, 2002; Hill &Lynchehaun, 2002; Magusoon et al, 2001)**

The use of organic food is ultimately and easily affected by the demographic variables of the consumers in Maharashtra State **(Abhayjoshi& Koichi Hioki et al; 2012)**

The one of the study said that, socio-cultural factors significantly impact the consumer's habits with reference to organic foods. It is becoming more important to study because of its pervasive influence on consumer behaviour**(Pirabatti2011)**

It has been empirically investigated that Socio-demographic profiles are most likely to affect the purchase decisions of organic foods **(Gracia&Magistris; 2007; Tsakiridou et al, 2006, Lockie et al 2004.)**

The majority of researches on organic food products were carried out in developed countries. It is the need of time to conduct a research study on the organic food products and its marketing in the developing country like India. This study may help both consumer of organic interest,farmers and marketers of organic food products. It may also help government to design strategies for organic food products marketing.

Research Gap:-

Anoverview literature on food consumption related studies revealed the fact that majority of the research is carried out in developed countries. The research on food consumptions in India is scarce with very little research work done on organic food. A few studies are made on the marketing of organic food in the Indian context, the literature on organic food that is available focuses on the northern part of the country. Maharashtra being the one of the agriculturally developed state needs to have a research done in the area.None of these studies have focus on the study of consumer behaviour towards organic food products and no study has concentrated on Maharashtra.

The present study will be undertaken with a view to providing information to fill the existing gap. It hopes such a study will be helpful to the farmer, organic food marketer, consumers and government agencies in making policy regarding organic farming.

Statement of problem:-

According to the various reports on organic food product marketing in India that the consumption of the organic food is limited to the metro and urban areas only.The one of the report indicates that the organic consumption is not even0.1 percent of India's $ 300 billion annual food consumption. The reason behind this low consumption of organic food is that the demand for organic food is confined to metro and tier-I cities of India. So it is the need of the time to study the consumer's preference, attitudes and buying pattern for organicfood in the urban, semi urban areas of the country.This is the area from where the sufficient domestic demand for the organic food is necessary to increase the overall market of the organicfood. Due to this reason this study is carried in the developing regions like Marathwada of Maharashtra state.

Importance of the study:-

The organic farming area of world agriculture is growing rapidly. Due to this the organic food supplyis increasing rapidlyin the consumer food market. Indian food market is also witnessing same. This study is significant to an organic farmers which are mostly comes under unorganized sectors of Indianeconomy. This study is useful in making marketing mix and marketing strategy as per the characteristics of consumers. This study is also useful for students as a future researcher intending to make further study in the same field of consumer behaviour towards organic food.

Research Methodology:-

It involvesvisualizing the frame work for the study to be conducted.

Objectives of the study:-

1) To review the current status and position of organic food marketing in India.

2) To study the demographic factors influencing consumer behaviour towards organic food.

3) To find out the awareness level and consumption pattern for organic food in the people of Marathwada region.

4) To study the attitudes and behaviour of consumer towards organic food in Marathwada region.

5) To identify the factors that motivates to buy the organic food products among Consumers of Marathwada region.

6) To suggest the recommendations for producers - marketers and government, that helps to formulate relevant strategies for improving Organic Food Marketing.

 Hypotheses of the Study:-

1) Consumer concerns about health have a positive impact on the intention to buy organic food products.

2) Consumer concern about food safety has a positive influence on consumer intention to buy organic products.

3) Price of organic products has a negative effect on the intention to buy organic products.

4) Organic products availability has a significant impact on the intention to buy organic food products.

Research Design -

The research is descriptive and exploratory in nature because the primary data will be collected using the survey method through fact finding techniques such as questionnaire and interview.The main purpose of this research is to obtain information concerning the buying behaviour of the consumers of organic food products.Descriptive research involves hypothesis formulation and testing.

Data collection:-

Primary Data:-

The data will be collected by using structured questionnaire and interview techniques from consumers who has visited the specialty and traditional food shops.

Secondary Data:-

For secondary data books, journals, magazines, various websitesetcwill be used.

Sample Design:-

Sampling Unit:-

The consumer who have used or purchased organic food products at any single time in past six months will be considered as the sampling unit for this study.

Sample size:-

As per the Census of India2011, the population of Marathwada is 1.88cr. According to krejcie and Morgan's formula the minimum required sample size is 784.Forequal distribution of samples,the sample size is selected as 1000. This sample is distributed equally for 8 districts of Marathwada region,shown as follows.

Sr no.	District	No. of sample
1	Aurangabad	125
2	Beed	125
3	Jalna	125
4	Nanded	125
5	Parbhani	125
6	Hingoli	125
7	Latur	125
8	Osmanabad	125
	Total	1000

Sampling Method:-

The multistage sampling techniques will be adopted for this study.In first stage cluster sampling will be used for selecting geographical area randomly for propose study from a wider region, in these districts places of each districts of Marathwada region will be selected for the collection of primary data through a fact finding survey. In second stage the 125respondent from each district places will be collected by a systematic random sampling method.

Scope of the study:-

- **Geographical Scope :-**

The study will be carried out in Marathwada region. Therefore geographical Scope of Study limited to Aurangabad, Beed, Jalna, Osmanabad, Nanded, Hingoli, Latur and Parbhani districts of Marathwada.

- **Operational Scope :-**

The study covers wide ranging issues concerning the consumer preferences, attitudes, buying behavior towards the organic food products in Marathwada region.

- **Periodical Scope :-**

Periodical Scope for this research will be 8 years from 2010 to 2018. If further information required during the study will be used.

- **chapter Scheme :**

The present research work will be divided into following chapters.

Chapter 1 – Introduction and Research Methodology

Chapter 2 – Review of Literature

Chapter 3 – Study of Consumer Behavior in India

Chapter 4 – Study of Organic Food Industry

Chapter 5 – Analysis and Interpretation of Data

Chapter 6 – Findings and Conclusions

References and Bibliography

- **Annexure**

The above chapter Scheme is tentative. Depending on the actual research work it may change in the course of the Study.

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